



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

JAN 03 2003

James M. Jordan, Treasurer
Democratic Senatorial Campaign Committee
430 South Capitol Street, SE
Washington, DC 20003

Identification Number: C00042366

Reference: August Monthly Report (7/1/02-7/31/02)

Dear Mr. Jordan:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 15 of your report discloses a payment from AB-Data (pertinent portion(s) attached). It appears this receipt was for goods and/or services provided by your committee. Pursuant to Advisory Opinion 1979-18, the sale/purchase price paid to a political committee could involve the receipt of a contribution from a purchaser if the purchase price exceeds the "usual and normal charge". The term "usual and normal charge" for goods is defined as the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution. Examples of goods and services include equipment, supplies, personnel, advertising services, membership lists, and mailing lists. 11 C.F.R. §100.7(a)(1)(iii)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided and explain the steps your committee took in determining the amount charged. If your committee provided the goods and/or services at more than the usual and normal charge, the difference between the two is considered to be an in-kind contribution received by your committee from a corporation and is prohibited subject to the limits set forth at 2 U.S.C. §441b(a)